the Finance Bill, 2003 and thereafter. Small power loom weavers, having an annual turnover of Rs. 35 lakhs, have been given excise duty exemption on the first clearance of Rs.25 lakhs during the year vide notification No. 35/2003-CE, dated 30.4.2003. Similarly, small garment manufacturers, having an annual turnover of Rs. 40 lakhs have been given excise duty exemption on the first clearance of Rs. 30 lakhs during the year vide notification No. 34/2003-Central Excise, dated 30.4.2003.

FDI limit in private sector banks

2237. SHRI GAYA SINGH:
SHRI V.V. RAGHAVAN:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to raise Foreign Direct Investment (FDI) limit in private sector banks to 74 per cent from the present 49 per cent; and

(b) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Government have taken an in principle decision to enhance the limit on Foreign Direct Investment in banking companies to facilitate setting up of subsidiaries by foreign banks and to invite investment in private sector banks. Modalities for implementing the decision are being worked out and executive instructions are expected to issue thereafter.

Increased market borrowing of States

2238. SHRI B.J. PANDA: Will the Minister of FINANCE be pleased to state:

(a) whether RBI has cautioned States on increased market borrowings;

(b) whether RBI has issued certain guidelines to control expenditure, contain debt and evolve a better cash management system, if so, the details thereof; and

(c) whether States have by now chalked out some roadmap for medium term reforms to control fiscal, if so, the details of those States with specific reference to Orissa?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) The Reserve Bank of India in Mid-Term Review of Monetary and Credit Policy for the year 2003-04 observed that the persistence of large aggregate borrowing of the Central and State Governments continues to be a matter of concern due to its possible adverse impact on growth and stability.

(b) No, Sir.

(c) Following the recommendations of the Eleventh Finance Commission, Government of India has created a Fiscal Reform Facility (2000-01 to 2004-05) to provide fiscal incentives to States for undertaking Medium-Term Fiscal Reform Programmes (MTFRP). So far 23 States, including Orissa, have finalised MTFRP and signed Memoranda of Understanding/Letters of Exchange with Ministry of Finance, Government of India. Incentive grants amounting to Rs. 3387.29 crore have been released from the Incentive Fund to these States.

Marketing of insurance products

2259. SHRIMATI S.G. INDIRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is proposed to market insurance products launced by Government and other agencies in order to widen its base and also to earn considerable revenue;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) The insurance companies market a number of products including products launched by Government and other agencies to cater to all sections of the society. New products are brought out by the companies from time to time to widen the coverage and earn more revenue.

(c) Does not arise.